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Darby & Darby PC
805 Third Avenue
New York, NY 10022

EXAMINER

GART, MATTHEW S

ART UNIT	PAPER NUMBER
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3625

DATE MAILED: 10/15/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/614,106

Applicant(s)

GALUTEN ET AL.

Examiner

Matthew s Gart

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE ____ MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 11 August 2003.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1,2,4,5,14,15,17,19 and 21-54 is/are pending in the application.
- 4a) Of the above claim(s) 49-54 is/are withdrawn from consideration.
- 5) ☐ Claim(s) ____ is/are allowed.
- 6) ☒ Claim(s) 1,2,4,5,14,15,17,19 and 21-48 is/are rejected.
- 7) ☐ Claim(s) ____ is/are objected to.
- 8) ☐ Claim(s) ____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 20 August 2003 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on ____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. ____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s) ____
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) ____ 6) ☐ Other: ____

DETAILED ACTION

Claims 3, 6-13, 16, 18 and 20 have been canceled via Paper No. 9 without prejudice or disclaimer of the subject matter therein. Claims 1, 2, 4, 5, 14, 15, 17, 19 and 21-27 have been amended via Paper No. 9. Claims 28-54 have been added via Paper No. 9.

Election/Restrictions

Restriction to one of the following inventions is required under 35 U.S.C. 121:

- I. Claims 1-48, drawn to a method for distributing electronic media content over a network, classified in class 705, subclass 26.
- II. Claims 49-54, drawn to a method for distributing content over a network comprising transmitting a handle identifying the content from a third value chain participant to a fourth value chain participant, wherein the handle identifies how many times it was distributed between value chain participants, classified in class 705, subclass 26.

The inventions are distinct, each from the other because of the following reasons:

Inventions II and I are related as subcombinations disclosed as usable together in a single combination. The subcombinations are distinct from each other if they are shown to be separately usable. In the instant case, invention II has separate utility such as a handle identifying the content from a third value chain participant to a fourth value chain participant, wherein the handle identifies

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how many times it was distributed between value chain participants. See MPEP § 806.05(d).

Since applicant has received an action on the merits for the originally presented invention, this invention has been constructively elected by original presentation for prosecution on the merits. Accordingly, claims 49-54 are withdrawn from consideration as being directed to a non-elected invention. See 37 CFR 1.142(b) and MPEP § 821.03.

Drawings

The corrected or substitute drawings were received on August 18, 2003. The Examiner accepts these drawings.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1, 2, 4-5, 14-15, 17, 19 and 21-48 are rejected under 35

U.S.C. 102(at least e) as being anticipated by Ginter U.S. Patent Number 5,959,876.

Referring to claim 1. Ginter discloses a method for distributing electronic media content over a network from a central location (at least Fig. 1), comprising the steps of:

- Providing an electronic contract for distributing the electronic media content between a retailer and a distributor, wherein the retailer distributes the electronic media content to a consumer and the distributor has rights in the electronic media content (at least claim 1);
 - Presenting a candidate retail offer for the distribution of the electronic media content to the consumer (at least Detailed Description Text (1623),
“In the above example, process A first specifies that it desires the right to read the book without restrictions or other information release. This starting position is specified as a rights option in the PERC that process A is using as a rule. Process B checks its rules and determines that an unrestricted right to read is indeed permitted for a price of \$50. It replies to process A that these terms are available. Process A receives this reply and checks it against the control set in the PERC it uses as a rule base...”)
 - Receiving a request from the consumer to exercise the candidate retail offer (at least Detailed Description Text (1623));
 - Validating the candidate retail offer for the distribution of the electronic media content if the candidate retail offer is consistent with the electronic contract (at least Detailed Description Text (1623);
-

- Upon successful validation, providing the electronic media content to the consumer (at least "Distributors 106 and financial clearinghouses 116 may themselves be audited based on secure records of their administrative activities and a chain of reliable, "trusted" processes ensures the integrity of the overall digital distribution process. This allows content owners, for example, to verify that they are receiving appropriate compensation based on actual content usage or other agreed-upon bases.");
- Receiving compensation information from the consumer indicating at least the amount of compensation for the electronic media content provided (at least "Distributors 106 and financial clearinghouses 116 may themselves be audited based on secure records of their administrative activities and a chain of reliable, "trusted" processes ensures the integrity of the overall digital distribution process. This allows content owners, for example, to verify that they are receiving appropriate compensation based on actual content usage or other agreed-upon bases."); and
- Allocating the compensation according to the electronic contract (at least Fig. 75B).

Referring to claim 2. Ginter further disclose a method wherein the validating step further comprises the steps of:

- Referencing, in the electronic contract, one or more terms for electronic distribution of the electronic media content (at least claims 1 and 17);
 - Comparing the candidate retail offer to the one or more electronic distribution terms (at least claims 1 and 17); and
-

- Validating the candidate retail offer when the candidate retail offer is consistent with the one or more electronic distribution terms (at least claims 1 and 17 and Detailed Description Text (1623)).

Referring to claims 4-5. Ginter further discloses a method wherein the allocating step further comprises allocating to the retailer / distributor a predetermined portion of the compensation according to one or more financial terms in the electronic contract (at least Detailed Description Text (1921), "In this example, distributor A and creator A may use VDE to negotiate for a distribution relationship. Since in this example creator A has produced a VDE content container and associated control information that indicates creator A's desire to receive compensation based on rental of usage rights, and such control information further indicates that creator A has placed acceptable restrictions in redistribution control information that distributor A may use to service requests from user/distributors, distributor A may accept creator A's distribution control information without any negotiated changes...")

Referring to claims 14-15. Ginter further discloses a method wherein the one or more distribution terms comprise contractual terms of agreement for distribution of one or more of a group of electronic media contents by the retailer (at least Abstract).

Referring to claim 17. Ginter discloses a method for validating an offer for the distribution of electronic media content by a distributor and retailer over a network from a central location (at least Fig. 1), comprising the steps of:

- Receiving one or more electronic distribution contracts governing the distribution of the media content (at least Detailed Description Text (1623));
- Receiving a candidate offer from the retailer (at least Detailed Description Text (1623));
- Checking the candidate offer against the one or more electronic distribution contracts, wherein the checking step comprises the step of referencing terms of the one or more electronic distribution contracts in a predetermined order (at least Detailed Description Text (1623)); and
- Sending an indication of validation to the retailer when the candidate offer is determined to be consistent with the one or more electronic contracts (at least Detailed Description Text (1623)).

Referring to claim 19. Ginter discloses a method for settling a transaction in the course of the retailer of electronic media content from a distributor to a consumer over a network (at least Fig. 1), comprising the steps of:

- Receiving one or more electronic financial contracts from the distributor, each representing one or more terms for settling a transaction (at least Detailed Description Text (1623));
 - Distributing the electronic media content to the consumer (at least Detailed Description Text (1623));
 - Receiving payment information from the consumer indicating at least the compensation paid for the electronic media content (at least Detailed Description Text (1623)); and
-

- Referencing the one or more electronic financial contracts to determine the portion of compensation to be allocated to the distributor (at least "Distributors 106 and financial clearinghouses 116 may themselves be audited based on secure records of their administrative activities and a chain of reliable, "trusted" processes ensures the integrity of the overall digital distribution process. This allows content owners, for example, to verify that they are receiving appropriate compensation based on actual content usage or other agreed-upon bases.").

Referring to claim 21. Claim 21 is rejected under the same rationale as set forth above in claim 1.

Referring to claims 22. Claim 22 is rejected under the same rationale as set forth above in claim 1.

Referring to claims 23. Claim 23 is rejected under the same rationale as set forth above in claim 17.

Referring to claims 24. Claim 24 is rejected under the same rationale as set forth above in claim 19.

Referring to claims 25. Claim 25 is rejected under the same rationale as set forth above in claim 1.

Referring to claims 26. Claim 26 is rejected under the same rationale as set forth above in claim 17.

Referring to claims 27. Claim 27 is rejected under the same rationale as set forth above in claim 19.

Referring to claim 28. Ginter further discloses a method comprising:

- Providing the electronic contract at a central location (at least Fig. 1);
- Receiving the request from the consumer at the central location (at least Fig. 1); and
- Receiving the payment information at the central location (at least Fig. 1).

Referring to claim 29. Ginter further discloses a method comprising:

- Dynamically updating the electronic contract (at least Fig. 2A); and
- Applying the electronic contract to the distribution of the electronic media content only after receiving the request from the consumer (at least Fig. 2A).

Referring to claim 30. Ginter further discloses a method comprising:

- Dynamically updating the distribution terms (at least Fig. 2A); and
- Referencing the one or more distribution terms only after receiving the request from the consumer (at least Fig. 2A).

Referring to claim 31. Ginter further discloses a method wherein the predetermined order indicates a hierarchical relationship between the one or more electronic contracts (at least abstract).

Referring to claim 32. Ginter further discloses a method comprising:

- Receiving the electronic distribution contracts at a central location (at least Fig. 2A); and
- Receiving the candidate offer at the central location (at least Fig. 2A).

Referring to claim 33. Ginter further discloses a method comprising:

- Dynamically updating the one or more electronic distribution contracts (at least Fig. 2A); and
-

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- Referencing the terms of the one or more electronic distribution contracts only after receiving a request from a consumer (at least Fig. 2A).

Referring to claim 34. Ginter further discloses a method comprising:

- Receiving the electronic financial contracts at a central location (at least Fig. 1); and
- Referencing the one or more electronic financial contracts only after receiving a request from a consumer (at least Fig. 1).

Referring to claim 35. Ginter further discloses a method comprising:

- Dynamically updating the one or more electronic financial contracts (at least Fig. 2A); and
- Referencing the terms of the one or more electronic financial contracts only after receiving a request from a consumer (at least Fig. 2A).

Referring to claims 36. Claim 36 is rejected under the same rationale as set forth above in claim 28.

Referring to claims 37. Claim 37 is rejected under the same rationale as set forth above in claim 31.

Referring to claims 38. Claim 38 is rejected under the same rationale as set forth above in claim 28.

Referring to claims 39. Claim 39 is rejected under the same rationale as set forth above in claim 31.

Referring to claims 40. Claim 40 is rejected under the same rationale as set forth above in claim 1.

Referring to claim 41. Ginter further discloses a method wherein the physical media content is a digital versatile disk (at least column 3, lines 34-38).

Referring to claims 42. Claim 42 is rejected under the same rationale as set forth above in claims 1 and 2.

Referring to claims 43. Claim 43 is rejected under the same rationale as set forth above in claims 1 and 2.

Referring to claims 44-45. Ginter further discloses a method wherein the first electronic contract is stored at a same network location as the second electronic contract and wherein the first electronic contract is stored at a different network location as the second electronic contract (at least Fig. 2).

Referring to claims 46. Claim 46 is rejected under the same rationale as set forth above in claim 1.

Referring to claims 47. Claim 47 is rejected under the same rationale as set forth above in claims 2, 4 and 5.

Referring to claims 48. Claim 48 is rejected under the same rationale as set forth above in claim 2, 4 and 5.

Response to Arguments

Applicant's arguments with respect to claims 1, 2, 4-5, 14-15, 17, 19 and 21-27 have been considered but are moot in view of the new grounds of rejection.

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL.**

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See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

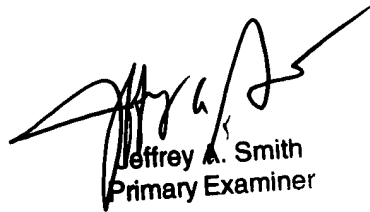
Any inquiry concerning this communication should be directed to Matthew Gart whose telephone number is 703-305-5355. This examiner can normally be reached Monday-Friday, 8:30AM-5:30PM EST.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Ms. Wynn Coggins can be reached on 703-308-1344. The fax phone numbers for the organization where this application or proceeding is assigned are 703-746-7239 for regular communications and 703-746-7238 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-305-3900.

MSG

October 7, 2003



Jeffrey A. Smith
Primary Examiner